

IRS News Release

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IRS e-file and Direct Deposit Outpace Last Year's Results

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WASHINGTON — The Internal Revenue Service announced today that taxpayers are continuing to e-file at a record pace. The biggest increase is in returns e-filed from home computers, up almost 17 percent over last year's figure.

"Each year, we are seeing more taxpayers choosing e-file, with the highest growth belonging to those who file from a home computer," said IRS Commissioner Mark W. Everson. "E-file is a safe, accurate way to quickly finish your taxes and get your refund."

Of the 60.7 million returns filed so far this year 71.5 percent were e-filed, compared to 69.7 percent for the same period last year. While this percentage will decline as the April filing deadline approaches, the IRS expects that e-filed returns will make up more than half of all returns filed.

The IRS also released statistics from this year's Free File program, which are part of the self-prepared e-file category. About 2.65 million taxpayers used Free File through March 9. While this number dropped from 3.33 million returns filed during the comparable period last year, overall returns e-filed from home computers increased by nearly 17 percent.

"This is the first year of a new agreement with the Free File Alliance, and more than 70 percent of the nation's taxpayers qualify for free electronic filing," said Bert Dumars, Director of Electronic Tax Administration. "While the Free File numbers are down slightly, this remains an important e-file option that taxpayers should consider as the April filing deadline approaches."

The agreement is between the IRS and the Free File Alliance, a consortium of tax preparation software companies that provide the service. Taxpayers must access Free File through IRS.gov.

Record numbers of individuals are choosing to have their refunds directly deposited into bank accounts. Out of 50.7 million refunds issued so far this year, 37 million have been directly deposited, which is 73.1 percent of the total, compared to 69.8 percent for the same time last year.

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Taxpayers who e-file and choose direct deposit get their refunds in half the time of those who file paper returns. Even paper filers can get the benefits of direct deposit by choosing that option on their tax forms; they will get their refunds a week sooner than waiting for a paper check.

2006 FILING SEASON STATISTICS

Cumulative through the weeks ending 3/11/05 and 3/10/06

	<u>2005</u>	<u>2006</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	61,326,000	60,657,000	-1.1
Total Processed	57,019,000	56,028,000	-1.7
E-filing Receipts:			
TOTAL	42,731,000	43,356,000	1.5
Tax Professionals	29,708,000	31,010,000	4.4
Self-prepared	10,592,000	12,346,000	16.6
Telefile	2,303,000	NA	NA
Web Usage:			
Unique visits to IRS.gov	72,637,000	77,080,000	6.1
Total Refunds:			
Number	50,948,000	50,656,000	- 0.6
Amount of principal	\$118.406 billion	\$122.752 billion	3.7
Average refund	\$2,324	\$2,423	4.3
Direct Deposit Refunds:			
Number	35,549,000	37,031,000	4.2
Amount	\$93.611 billion	\$101.009 billion	7.9
Average	\$2,633	\$2,728	3.6